HLS 21RS-857 REENGROSSED

2021 Regular Session

HOUSE BILL NO. 582

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BY REPRESENTATIVES MCFARLAND AND BUTLER

TAX/GASOLINE TAX: Dedicates a portion of the existing tax levied on gasoline and diesel into the Construction Subfund and imposes a one-time road-use fee on electric and hybrid vehicles

AN ACT

2 To enact Part II-A of Chapter 3 of Title 32 of the Louisiana Revised Statutes of 1950, to be 3 comprised of R.S. 32:461, and R.S. 47:818.12(E), relative to transportation projects; 4 to provide for the funding of transportation projects; to provide for the excise tax 5 levied on gasoline and diesel; to require a portion of the excise tax levied on gasoline and diesel to be dedicated into the Construction Subfund of the Transportation Trust 6 7 Fund; to impose a road-use fee on electric and hybrid motor vehicles; to provide for 8 the collection and disposition of the proceeds; to provide for certain definitions; to 9 provide for requirements and limitations; to provide for an effective date; and to 10 provide for related matters. 11 Be it enacted by the Legislature of Louisiana: 12 Section 1. Part II-A of Chapter 3 of Title 32 of the Louisiana Revised Statutes of 13 1950, comprised of R.S. 32:461, is hereby enacted to read as follows: 14 PART II-A. ELECTRIC VEHICLES AND HYBRID VEHICLES 15 §461. Electric vehicles; hybrid vehicles; imposition of a road-use fee; collection; 16 use of proceeds 17 A.(1) There is hereby levied an annual road use fee of two hundred dollars per year on each electric vehicle which is operated upon the highways of this state 18 19 and which is required to be registered and to pay registration license tax in 20 accordance with the provisions of Chapter 4 of Subtitle II of this Title.

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1	(2) There is hereby levied an annual road use fee of one hundred dollars per
2	year on each hybrid vehicle which is operated upon the highways of this state and
3	which is required to be registered and to pay registration license tax in accordance
4	with the provisions of Chapter 4 of Subtitle II of this Title.
5	B. For purposes of this Section, the following terms shall have the following
6	meanings:
7	(1) "Electric vehicle" shall mean a vehicle which is powered by one or more
8	electric motors or energy stored in rechargeable batteries for propulsion.
9	(2) "Hybrid vehicle" shall mean a vehicle that uses gasoline, diesel fuel, or
10	special fuels in combination with an electric motor for propulsion.
11	C.(1) The initial fee imposed pursuant to the provisions of this Section shall
12	be collected by the motor vehicle dealer from the purchaser at the time of sale or
13	lease of a new or used electric vehicle or a new or used hybrid vehicle. The fee shall
14	be collected by the dealer and remitted to the office of motor vehicles in the same
15	manner as all sales and use taxes are collected. The dealer shall indicate on the bill
16	of sale or the lease agreement that the vehicle is an electric vehicle or a hybrid
17	vehicle and shall provide a copy of the bill of sale or the lease agreement to the
18	commissioner of motor vehicles. The commissioner of motor vehicles shall note the
19	fuel type of these motor vehicles in order to track these vehicles for purposes of
20	collecting the road use fee.
21	(2) Each year after the initial fee is imposed, no less than thirty days prior
22	to the anniversary date of the purchase or lease of the vehicle, the commissioner of
23	motor vehicles shall send written notice to the last known address of the registered
24	owner of the vehicle indicating the amount of the annual fee due and the deadline for
25	payment of the fee. All fees shall be due no later than thirty days from the date the
26	notice is mailed to the registered owner or lessee of the vehicle by the commissioner
27	of motor vehicles.

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1	(3)(a) No later than January 1, 2022, the office of motor vehicles shall update
2	forms related to the transfer of ownership of motor vehicles to include information
3	regarding the fuel type of all motor vehicles required to be registered in this state.
4	The requirements of this Paragraph shall apply to all transfers of ownership including
5	sales by dealers, private sales of motor vehicles, and out of state transfers.
6	(b) For all transfers of ownership of an electric vehicle or a hybrid vehicle,
7	the office of motor vehicles shall comply with the provisions of Paragraph (2) of this
8	Section.
9	D. The commissioner of motor vehicles shall deposit the proceeds of the fee
10	collected pursuant to the provisions of this Section into the treasury. After
11	compliance with the requirements of Article VII, Section 9(B) of the Constitution of
12	Louisiana, the treasurer shall deposit an amount equal to the proceeds of the fee
13	imposed pursuant to the provisions of this Section into the Construction Subfund of
14	the Transportation Trust Fund pursuant to the requirements of Article VII, Section
15	27(B)(2) of the Constitution of Louisiana.
16	Section 2. R.S. 47:818.12(E) is hereby enacted to read as follows:
17	§818.12. Taxes levied; rates
18	* * *
19	E. Beginning July 1, 2021, and each year thereafter, after satisfying all
20	requirements associated with the bonds or any refunding bonds including all required
21	and related payments under any interest rate swap agreements secured by the avails
22	of the tax levied pursuant to the provisions of this Section and issued pursuant to the
23	provisions of Chapter 14-A or Chapter 15 of Subtitle III of Title 39 of the Louisiana
24	Revised Statutes of 1950, including expenses related to the bonds as provided for in
25	the resolution to which the bonds were or will be issued, the treasurer shall deposit
26	one hundred twenty million dollars of the avails of the tax levied pursuant to the
27	provisions of this Section into the Construction Subfund of the Transportation Trust

Fund pursuant to the requirements of Article VII, Section 27(B)(2) of the

Constitution of Louisiana. The avails of the tax levied in this Section shall continue

to be pledged and available to pay the requirements associated with the bonds,
refunding bonds, or interest rate swap agreements and all bond related expenses as

provided in Article VII, Section 27(D) of the Constitution of Louisiana.

* * *

Section 3. This Act shall become effective on July 1, 2021.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 582 Reengrossed

2021 Regular Session

McFarland

Abstract: Dedicates \$120M of the avails of the tax levied on gasoline and diesel into the Construction Subfund of the Transportation Trust Fund (TTF) and imposes an annual \$200 road use fee on electric vehicles and an annual \$100 road use fee on hybrid vehicles and dedicates the proceeds of the fees into the Construction Subfund of the TTF.

Dedication of the Tax Levied on Gasoline and Diesel

<u>Present law</u> provides for the levy of a tax of 4ϕ per gallon of gasoline, diesel, and special fuels. <u>Present law</u> requires the proceeds of this tax to be credited to the Transportation Infrastructure Model for Economic Development (TIMED) account in the Transportation Trust Fund (TTF) for use solely on projects in the TIMED program.

Proposed law retains present law.

<u>Present law</u> provides for the levy of a tax of 16ϕ per gallon tax on gasoline, diesel, and special fuels.

<u>Proposed law</u> retains <u>present law</u> but dedicates, beginning July 1, 2021, \$120M of the avails of the 16¢ per gallon tax on gasoline and diesel into the Construction Subfund of the TTF. However, before the treasurer deposits \$120M of the avails of the tax into the Construction Subfund, all requirements associated with bonds, refunding bonds, and all required and related payments under any interest rate swap agreements secured by the avails of the tax must be satisfied. Further provides that the avails of the tax continue to be pledged and available to pay the requirements associated with bonds, refunding bonds, or interest rate swap agreements as provided in <u>present constitution</u>.

Electric Vehicles and Hybrid Vehicles

<u>Proposed law</u> defines an "electric vehicle" as a vehicle powered by one or more electric motors or energy stored in rechargeable batteries for propulsion and defines a "hybrid vehicle" as a vehicle that uses gasoline, diesel fuel, or special fuels in combination with an electric motor for propulsion.

<u>Proposed law</u> imposes an annual road use fee of \$200 on each electric vehicle and an annual road-use fee of \$100 on each hybrid vehicle operated upon the highways of this state which is required to be registered and to pay registration license tax in accordance with <u>present law</u>.

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<u>Proposed law</u> requires the initial fee to be collected by the motor vehicle dealer from the purchaser at the time of sale or lease of a new or used electric vehicle or hybrid vehicle and to remit the fee to the office of motor vehicles in the same manner as all sales and use taxes are collected. Further requires the dealer to indicate on the bill of sale or the lease agreement that the vehicle is an electric vehicle or a hybrid vehicle and to provide a copy of the bill of sale or the lease agreement to the commissioner of motor vehicles, hereinafter "commissioner".

<u>Proposed law</u> requires the commissioner of motor vehicles to note the fuel type of electric and hybrid motor vehicles for purposes of the collecting the road use fee.

<u>Proposed law</u> provides that each year after the initial fee is imposed, no less than 30 days prior to the anniversary date of the purchase or lease of the vehicle, the commissioner shall send written notice to the last known address of the registered owner of the vehicle indicating the amount of the annual fee due and that the deadline to pay the fee is 30 days from the date the notice is mailed to the registered owner by the commissioner.

<u>Proposed law</u> provides the office of motor vehicles, no later than Jan. 1, 2022, to update forms related to the transfer of ownership of motor vehicles to include information regarding the fuel type of all motor vehicles required to be registered in this state. The requirements of <u>proposed law</u> shall apply to all transfers of ownership including sales by dealers, private sales of motor vehicles, and out of state transfers.

<u>Proposed law</u> requires the office of motor vehicles to collect the road use fee on all transfers of ownership of an electric vehicle or a hybrid vehicle.

<u>Proposed law</u> requires the commissioner to deposit the proceeds of the fees collected into the treasury. After compliance with the requirements of the <u>present constitution</u>, requires the treasurer to deposit an amount equal to the proceeds of the fee imposed into the Construction Subfund of the TTF.

Effective on July 1, 2021.

(Adds R.S. 32:461 and R.S. 47:818.12(E))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on Ways and Means</u> to the original bill:

- 1. Delete repeal of the 16¢ per gallon tax on gasoline, diesel, and special fuels.
- 2. Delete the levy of a new 16¢ per gallon tax on gasoline, diesel, and special fuels.
- 3. Beginning July 1, 2021, dedicate \$120M of the avails of the tax levied on gasoline and diesel in <u>present law</u> into the Construction Subfund of the TTF after all requirements associated with bonds, refunding bonds, and all required and related payments under any interest rate swap agreements secured by the avails of the tax are satisfied.
- 4. Delete the annual tax of \$200 per year levied on each electric vehicle and the annual tax of \$100 per year on each hybrid vehicle operated on state highways which are required to be registered and to pay registration license tax in accordance with <u>present law</u>.
- 5. Impose a one-time road use fee of \$1,000 on each electric vehicle and one-time road use fee of \$500 on each hybrid vehicle which is operated upon the highways

- of this state and which is required to be registered and to pay registration license tax in accordance with present law.
- 6. Change the collection of the fee <u>from</u> the office of motor vehicles every two years <u>to</u> motor vehicle dealers to be collected from the purchaser at the time of sale of a new or used electric vehicle or hybrid vehicle.
- 7. Delete provisions requiring the legislative auditor to commence a comprehensive audit of the Dept. of Transportation and Development to review the department's operations, organizational efficiency, and performance in regard to the department's utilization of operating revenues and to review the use of the avails of the taxes deposited into the Construction Subfund of the TTF.

The Committee Amendments Proposed by <u>House Committee on Appropriations</u> to the engrossed bill:

- 1. Change the road use fee <u>from</u> a one-time fee <u>to</u> an annual fee and reduce the amount of the fee for electric vehicles <u>from</u> \$1,000 <u>to</u> \$200 per year and <u>from</u> \$500 <u>to</u> \$100 per year for hybrid vehicles.
- 2. Require the commissioner of motor vehicles to note the fuel type of electric and hybrid motor vehicles for purposes of collecting the road use fee.
- 3. Require the initial fee to be collected by the dealer at the time of purchase or lease of new or used electric or hybrid motor vehicles and collection of the fee in subsequent years by the office of motor vehicles.
- 4. Require the office of motor vehicles, no later than Jan. 1, 2022, to update forms related to the transfer of ownership of motor vehicles to include information regarding the fuel type of all motor vehicles required to be registered in this state.
- 5. Require the office of motor vehicles to collect the road use fee on all transfers of ownership of an electric vehicle or a hybrid vehicle.